

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3526 - SB 3330

March 16, 2012

SUMMARY OF BILL: Increases the minimum amounts required for the surety bonds of county public officials, emergency communications districts (ECD), and local education agencies (LEA) in a variety of statutes related to the individual offices. Simplifies the calculation formula based on revenue for the county trustees, ECDs, and LEAs. Requires all such bonds to be transmitted for safekeeping to the county clerk, instead of the Comptroller of the Treasury. Removes the requirement that all bonds must be filed before any official act is performed.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Comptroller of the Treasury (COT), the minimum amounts required for the surety bonds of public officials have not been revised in many years and this bill will bring the coverage amounts to an adequate basis.
- The premium amounts vary depending on the position, even if the same dollar amount of coverage is provided. The bonds are required to cover the entire term of office.
- Increasing the minimum amounts required for the surety bonds could result in an increase in annual premiums.
- Simplifying the calculation formula for the county trustees, ECDs and LEAs will allow the required coverage amount to be decreased and could result in a decrease in annual premiums.
- The net impact is estimated to be not significant.
- Under current law, any public officer required by law to give bond who performs any official act before such bond is approved and filed as required commits a Class C misdemeanor. Removing the requirement that the bond be filed in order for such person to commit such offense will not have a significant impact the caseloads of local courts.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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